

Regulatory Circular RG95-37

Date: April 11, 1995

To: All Exchange Members and Personnel

From: Floor Officials Committee

Re: Violations of Trading Conduct and Decorum Policies

The purpose of this circular is to advise members and their personnel of the provisions of Exchange Rule 17.50, Imposition of Fines for Minor Rule Violations, as they relate to violations of the Exchange's trading conduct and decorum policies under Exchange Rule 6.20, Admission to and Conduct on the Trading Floor.

(1) **The Rule.** Rule 17.50(g)(6) provides for the imposition of fines for violations of the Exchange's trading conduct and decorum policies under Rule 6.20. The following schedule identifies certain conduct deemed violative of those policies and lists the applicable fines that may be imposed for such violations by the Exchange under Rule 17.50(g)(6). Please be advised that Rule 17.50(g)(6) enables the Exchange to impose the maximum fine authorized under those policies -- that is, the fine authorized for subsequent offenses -- in connection with a first or second offense, if warranted under the circumstances.

FINE SCHEDULE FOR TRADING CONDUCT AND DECORUM VIOLATIONS

<u>Violation</u> <u>Within One Calendar Year</u>	<u>1st Offense</u>	<u>2nd Offense</u>	<u>Subsequent</u> <u>Offenses</u>
Abusive language	\$ 100	\$ 250	\$ 500
Abusing Exchange Property			
--No property damage	100	250	500
--Property damage (plus repair or replacement costs)	500	750	1,000
Book Priority Violation	400	800	1,200

<u>Violation</u> <u>Within One Calendar Year</u>	<u>1st Offense</u>	<u>2nd Offense</u>	<u>Subsequent</u> <u>Offenses</u>
Disruptive Announcement of Stock Print	\$ 200	\$ 400	\$ 500
Dress Code	50	250	500
Failure to Display ID	50	250	500
Food or Drink on Floor	250	500	1,000
Enabling/Assisting Non- Member to Gain Improper Access to Floor	500	1,000	2,000
Improper Use of Runners' Aisle	25	50	100
Smoking in Unauthorized Areas	50	250	500
Trading in Aisle	250	500	1,000
Physical Violence			
--Shoving	500	1,500	2,500
--Fighting	1,500	3,000	5,000
Running	100	250	500
Unbusinesslike Conduct	250	500	1,000
Using Member Phones	50	150	300
Visitor Badge Late or Not Returned	Warning	25	25

(2) Floor Officials. Fines under Rule 17.50(g)(6) may be imposed upon the determination of two Floor Officials that the person fined has violated Rule 6.20. Any application or interpretation of the Rules relating to conduct on Exchange premises shall be agreed upon by at least two Floor Officials. Floor Officials shall file with the Exchange a written

report of any action taken pursuant to authority specifically granted them by the Rules and of any interpretation of the Rules.

(3) Persons Subject to Fine. The Exchange may impose the preceding fines against either or both of the following: (a) the individual responsible for the subject violation and/or (b) if such individual is employed by or associated with a member or member organization, the member or member organization that failed to adequately supervise such individual to ensure compliance with Exchange rules. Any member or member organization who is fined more than one (1) time in any calendar year for failure to supervise shall be subject to the fines specified above for second offenses and subsequent offenses, regardless of the number of offenses committed by the individual subject to fine for the underlying violation.

(4) Right to Contest. Any person against whom a fine is imposed pursuant to Rule 17.50(g)(6) may contest that fine. Specifically, fines imposed under Rule 17.50(g)(6) that do not exceed \$2,500 may be contested before the Appeals Committee in accordance with the provisions of Rule 17.50(d), and fines imposed under Rule 17.50(g)(6) that exceed \$2,500 may be contested before the Business Conduct Committee in accordance with the provisions of Rule 17.50(c). Please be advised that persons wishing to contest such fines must comply with the deadlines and all other requirements set forth in Rule 17.50(d) or Rule 17.50(c), as applicable.

Any questions in connection with this circular should be directed to Andrew Spiwak at (312) 786-7483, Legal Department.

(RG92-14, Revised)